

204-375

~~CONFIDENTIAL~~~~SECRET~~

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January 30, 1954

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Reference: Our quotation of September 10, 1953, to [redacted] subject 25X1
 ("Price increase request for RS-6 radio sets (contract PSC-
 146-UNV)")

Enclosure: Exhibit 1B cost breakdown analysis of Exhibit B changes
 Exhibit 1C cost breakdown analysis of Exhibit B,C,Cl and
 C2 changes

Dear [redacted]

25X1

As a result of our last meeting with your organization in Washington it had been agreed that our company would furnish you with additional cost breakdowns for changes requested in the referenced letter quotation. We have prepared for your review a cost breakdown for all changes referenced on Exhibit B of the referenced quotation which have been "tied in" directly to a TAR number or one of our internal Change Order numbers. These cost breakdowns are included as Exhibit 1B which is attached to this letter. Furthermore we have prepared a comparison of the costs requested by TAR number 14 which we hope will permit your organization to properly evaluate our request for an increase resulting from these changes. This breakdown is attached as Exhibit 1C of this letter.

It has been only with great difficulty that we have been able to "tie in" these costs for changes made during a time that expediency was gained at a sacrifice of paper work between our respective organizations. In many cases the paper work for these changes had been prepared as an after thought rather than on a concurrent basis at the time the changes were being made. We hope that this information will permit you to evaluate these changes and the price increase requested as a result of them without any further delays.

Very truly yours,

25X1

JEW/ma

cc:

Agency

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Exhibit B

January 6, 1953

Cost Analysis of Changes Submitted in our Quotation of September 10, 1953
(for Exhibit B changes)

Military C.O. No.	Materiel	Matl. Hdng.	Direct Labor	Direct Labor	Tooling	Total	Q & A	Profit	Unit S/P
	Unit Cost	and F.S.R.	Unit Cost	Overhead		Factory Cost			
GP 870	.0500	.0025	.0215	.0269		.1009	.0024	.0115	.1118
880	.0030	.0002	.1751	.2189		.3972	.0090	.1152	.4514
899	.9114	.1214	.0395	.0491		1.1275	.0394	.1296	.2967
923	.0701	.0035				.0736	.0016	.0083	.0835
928	.0701	.0110				.1457	.0051	.0167	.0675
930	.9900	.0494	.2943	.3679		.3772	.0132	.0133	.4337
931	.0392	.0062	.14759	.18146		3.3659	.1198	.3872	3.8729
936	.0500	.0025	.1387	.1731		.2596	-.0091	.0298	.2985
946	.0061	.0001				.0821	.0759	.0087	.0872
950	.0200	.0010				.0210	.0001	.0021	.0211
955			.0180	.0229		.0105	.0014	.0016	.0165
958			.11402	.5504		.9906	.0316	.1139	1.1391
1002	.3000	.0474				.3171	.0122	.0399	.3995
1005	.0160	.0008				.0168	.0006	.0019	.0193
1009	.0062	.0003	.0782	.0977		.1801	.0063	.0210	.2097
1010			.0106	.0506		.0912	.0032	.0104	.1048
1041	1.2936	.0644				1.3580	.0171	.1562	1.5613
1042			.2985	.3734		.6914	.0210	.0795	.7951
1045	.2700	.0135	.0239	.0298		.2835	.0099	.0326	.3260
1046						.0537	.0019	.0061	.0617
1047	.0711	.0035	.0239	.0298		.1283	.0044	.0117	.1174
1052	.0300	.1357				.4057	.0141	.0166	.1661
1055						.0126	.0126	.0005	.0015

Exhibit 1C

S E C R E T

February 1, 1953

Cost Breakdown Analysis for Changes Submitted in our Quotation of September 10, 1953
(for Exhibit B, C, C1 and C2 charges)

Department	Unit Studied		Expected Unit Productivity		Unit Burden	Total Unit HPC	Total Dollar Per Set Increase
	HPC	%	HPC	Unit %			
<u>1601 Line Wiring</u>							
Contract Quotation	321.6	60	538.0	90	288.4	826.4	
Average for 1953	342.2	53	645.2	172	589.0	1234.2	
Difference	20.6					407.8	
Requested Increase	19.6	60	32.6	101	19.8	52.46	.90
<u>1602 Phasing</u>							
Contract Quotation	129.0	55	234.8	115	148.3	383.1	
Average for 1953	196.4	71	276.0	381	749.0	1025.0	
Difference	67.4					641.9	
Requested Increase	48.3	55	87.8	125	60.4	148.19	3.11
<u>1605 Preliminaries</u>							
Contract Quotation	278.7	71	394.4	70	195.2	589.6	
Average for 1953	315.0	57	550.7	74	232.2	792.9	
Difference	36.3					193.3	
Requested Increase	25.3	71	49.6	80	28.2	77.86	1.29
<u>1610 Final Test</u>							
Contract Quotation	71.1	55	128.3	115	81.8	210.1	
Average For 1953	140.3	71	198	113	158.5	356.5	
Difference	69.2					146.4	
Inspection Test Requested Increase	40.0	55	72.7	120	43.0	120.72	2.60
Inspection & Test (Transfer to 1602)	(20.0)		(36.3)		(24.0)	(60.3)	(1.30)
Air Test Requested Increase	55.0	55	100.0	120	66.0	166.0	3.57
Air Test (Transfer to 1602)	(25.0)		(49.4)		(30.0)	(75.4)	(1.62)
Total Requested Increase	95.0					286.72	6.17 (135.7 HPC, \$3.92, to 1602)

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO		INITIALS	DATE
1	Engr Div/OC		
2	7 file PSC-148-0NU		
3			
4			
5			
FROM		INITIALS	DATE
1	Contract Branch/PD/LO	Jde	2/4/54
2			
3			
<input type="checkbox"/> APPROVAL <input checked="" type="checkbox"/> ACTION <input type="checkbox"/> COMMENT <input type="checkbox"/> CONCURRENCE		<input type="checkbox"/> INFORMATION <input type="checkbox"/> DIRECT REPLY <input type="checkbox"/> PREPARATION OF REPLY <input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> SIGNATURE <input type="checkbox"/> RETURN <input type="checkbox"/> DISPATCH <input checked="" type="checkbox"/> FILE
Remarks: Air Test - Price. Discussed air test with Navy Dept. They say this should be contained.			
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